



United States Department of the Interior



BUREAU OF LAND MANAGEMENT

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Instruction Memorandum No. **BC-2004-012**

Expires: 09/30/2005

To: All Washington Office and Field Officials
Attn: Agency/Organization Program Coordinators (A/OPCs) and State/Center
Procurement Analysts

From: Director, National Business Center

Subject: Reducing the Number of Employees with Access to the Charge Card Purchase
Business Line and Convenience Checks

DD: 1/30/2004

Program Area: Charge Card Management

Purpose: This Instruction Memorandum (IM) establishes procedures to reduce the number of Bureau of Land Management (BLM) cardholders who have access to the charge card purchase business line and convenience checks.

Policy/Action: The BLM National Business Center, Division of Accounting Operations (BC-620) will provide purchasing and convenience check transaction information by e-mail in Microsoft Excel format to all State, Center, and Washington Office (WO) integrated charge card lead Agency/Organization Program Coordinators (A/OPCs) immediately following issuance of this IM. The information provided will consist of a single file with five tabs containing the following information:

- A list of warranted purchase cardholders and the number of purchase transactions each cardholder made during Fiscal Year (FY) 2003.
- A list of non-warranted purchase cardholders and the number of purchase transactions each made during FY 2003.
- A list of convenience check writers and the number of checks each wrote in FY 2003.

- A list of purchase transactions for each cardholder, including all charge card and convenience check transactions.
- A list of convenience checks written by each check writer.

Supervisors should review charge card purchase/convenience check transaction information using the criteria outlined in Attachment 1 and provide their responses to the individual designated in their organization to consolidate the response to this IM. The consolidated responses must be sent to BC-620 by the Deputy State Directors for Support Services, the National Center's Business Management Council representatives, or the WO Property, Acquisition, and Headquarter Services Group Manager.

The consolidated response must include the electronic copy of the Microsoft Excel file that was sent to your organization by BC-620. The file must be documented electronically, in the columns provided, with the justifications for retaining purchase or convenience check authority, or with new option sets for cardholders for whom purchasing authority is being withdrawn. This documentation must be provided for any purchase cardholder or convenience check writer with 12 or fewer transactions for whom you are requesting that authority not be withdrawn.

It is not enough to simply state that an individual may need access to the authority at some time. The justification must show that the purchases by the employee cannot be performed by another individual in the organization and that retaining purchase or convenience check authority is necessary to successfully accomplish your organization's mission. If an individual with 12 or fewer transactions is a warranted contracting officer, it is adequate justification to simply indicate this.

Although this IM requires organizations to look only at cardholders with 12 or fewer purchase transactions and convenience check transactions, you are also encouraged to look at cardholders with more transactions to determine if their purchasing could be performed by someone else in your organization. An example of this would be an individual who is paying only their own or another individual's cell phone charges when these charges could be paid by someone else.

BC-620 will review all responses and coordinate with the States, Centers, or WO on any individuals for whom it is felt that inadequate justifications were received.

BC-620 will do the following for individuals for whom no justifications were provided:

- Charge card accounts for purchase cardholders assigned to purchase-only option sets will be cancelled. This impacts accounts assigned to option sets 3720, 3721, and 3722.

- Charge card accounts for purchase cardholders assigned to purchase/travel option sets will be moved to travel-only options sets as indicated below, unless requested otherwise.

Proposed Changes for Purchase/Travel Option Sets									
From	3710	3711	3712	3713	3714	3716	3760	3761	3762
To	3730	3731	3731	3731	3731	3731	3730	3730	3730

- Convenience check authority will be cancelled.

Offices must ensure that check writers whose convenience check authority is cancelled promptly destroy all unused convenience checks and verify that all of their outstanding checks have cleared.

State, Center, and WO lead A/OPCs are responsible for notifying cardholders for whom purchasing or convenience check authority will be changed.

This is the third year for this review process. We anticipate repeating it annually to ensure that only individuals needing and using charge card purchase and convenience check authority are assigned these authorities. In addition, since supervisors are reviewing all monthly charge card statements and supporting documentation, decreasing the number of purchase cardholders will also reduce the number of charge card statements that need to be reviewed.

Timeframe: Please complete your review and submit your consolidated responses by January 30, 2004.

Budget Impact: No budget impacts are anticipated.

Background: Washington Office IM No. 2002-127, Reevaluation of Cardholder's Access to the Purchase Business Line/Convenience Checks and Review of Credit Limits, was issued on March 29, 2002. This IM attempted to reduce the number of purchase cardholders and convenience check writers based on a Department of the Interior (DOI) requirement to make any adjustments needed to ensure that these authorities contribute to the efficient operation of the bureau. The DOI's review requirement was based on recommendations contained in a DOI Office of the Inspector General (OIG) report on the DOI's integrated charge card purchase business line.

States, Centers, and the WO were provided with extremely detailed transaction data and asked to make adjustments to authorities under the assumption that retaining purchasing or convenience check authority for cardholders with 12 or fewer transactions should be rare. However, the number of adjustments in authority were generally minimal; there were many instances where individuals who made no purchases or wrote no convenience checks during the previous fiscal year still retained those authorities after the exercise was complete.

National Business Center IM No. BC-2003-034, Reducing the Number of Employees with Access to the Charge Card Purchase Business Line and Convenience Checks, was issued on April 16, 2003. This IM resulted in approximately a 22 percent reduction in the number of purchase cardholders and convenience check writers. Although this reduction was substantial, there is still room for improvement.

The percentage of BLM employees who are purchase cardholders is currently about 46 percent, with individual State/Center percentages ranging from 8 percent to 65 percent. Attachment 2 shows the State, Center, and WO ratios of purchase cardholders to employees as of September 30, 2003, and also provides the number and percent of transactions for cardholders with 12 or fewer transactions. We have also provided, in Attachment 3, convenience check writer data similar to the purchase cardholder data in Attachment 2.

There have been numerous high-profile instances governmentwide of charge card and convenience check misuse and fraud. Both OMB and the DOI OIG consider underutilized authority to be an unnecessary fraud risk.

Manual/Handbook Sections Affected: BLM Manual Section 1512 will require updating as a result of the new policy/guidance in this IM.

Coordination: The FY 2003 IM was coordinated with the Bureau's Business Management Council. Since the FY 2004 review process is the same as last year's, no coordination was performed.

Contact: If you have any questions regarding this IM, please call your State/Center/WO lead A/OPC or Larry Keller, BC-620, at 303-236-9455.

Signed by:
Thomas F. Boyd
Director, National Business Center

Authenticated by:
Tony Babb
Staffing Assistant

3 Attachments

1. Criteria for Reviewing Access to the Purchase Business Line, Reviewing Access to Convenience Checks, and Submitting a Report to BC-620 (1 p)
2. Purchase Transaction Statistics for FY 2002 (1 p)
3. Convenience Check Transaction Statistics for FY 2002 (1 p)

Directives forwarded to State Director, CA-940, CA-944, R. Davis

12/2/03

Criteria for Reviewing Access to the Purchase Business Line, Reviewing Access to Convenience Checks, and Submitting a Report to BC-620

1. What do I need to review?

Supervisors must review all cardholder accounts that have access to the purchase business line and convenience checks and that had 12 or fewer purchase and/or convenience check transactions in FY 2003 to determine if those accounts still need access to the authorities. All accounts that should be reviewed are shown on the files supplied by BC-620.

If a cardholder has access to a purchase/travel option set and you concur that their purchasing authority should be cancelled, you should verify that the travel-only option set that they will be moved to is appropriate. This information is provided in the body of this IM. If you feel that they should be moved to a different travel-only option set, that information should be included in your response to this IM.

You should notify all cardholders for whom authority has been changed.

2. What criteria should I use to determine if a cardholder should have access to the purchase business line?

When performing your review, you should determine if the purchasing done by a cardholder currently making 12 or fewer purchases with the charge card and/or convenience checks can be handled by another employee in your organization. You should look at the kind of purchases the individual is making and where they are making them. If most of the purchases are being made locally, it should be quite easy to have someone else in the office handle those purchases. You should strive to have the fewest possible cardholders with access to the purchase business line and convenience checks and the lowest credit limit possible while still being able to maintain an efficiently operating organization and allowing employees to accomplish their job responsibilities.

3. What do I need to report to BC-620?

Consolidated State responses and the responses from the National Centers and the Washington Office must provide justifications for each individual for whom the organization wishes to retain purchase or convenience check authority. The justification must show that the purchases (purchase card or convenience check) by the employee cannot be performed by another individual in the organization and that retaining authority is necessary for successfully accomplishing the organization's mission.

The justifications must be submitted electronically on the Excel file sent to your organization.

Purchase Transaction Statistics for FY 2003

State/Center/ Office	# of Purchase Cardholders (1)	Total Purchase Transactions	12 or Fewer Transactions in FY 2003				Employees	
			# of Cardholders	% of Purchase Cardholders	# of Transactions	% of Purchase Transactions	Total (2)	% of Employees w/ Purchase Authority
Alaska	439	12,788	161	36.7%	901	7.1%	849	52%
Arizona	387	16,851	90	23.3%	492	2.9%	592	65%
California	569	24,088	169	29.7%	946	3.9%	1,089	52%
Colorado	318	11,781	100	31.5%	554	4.7%	707	45%
Denver Natl. Centers	56	2,625	26	46.4%	85	3.2%	306	18%
Eastern States	95	5,951	31	32.6%	173	2.9%	212	45%
Fire Center	191	8,182	62	32.5%	347	4.2%	352	54%
Idaho	574	18,898	178	31.0%	1,045	5.5%	967	59%
Montana	296	13,364	91	30.7%	590	4.4%	641	46%
Nevada	503	15,817	193	38.4%	988	6.3%	892	56%
New Mexico	327	14,184	97	29.7%	447	3.2%	847	39%
Oregon	865	36,296	263	30.4%	1,491	4.1%	2,153	40%
Training Center	48	1,464	16	33.3%	122	8.3%	79	61%
Utah	463	21,074	113	24.4%	700	3.3%	848	55%
Washington Office	132	3,968	50	37.9%	262	6.6%	542	24%
Wyoming	173	10,699	39	22.5%	214	2.0%	791	22%
TOTAL	5,436	218,020	1,679	30.9%	9,357	4.3%	11,867	46%

(1) The total number of purchase cardholders as of September 30, 2003.

(1) The total number of employees as of September 30, 2003.

(2) Percentages for the individual Denver National Centers: S&T – 22%, IRM – 27%, NBC – 15%, HR – 8%.

Convenience Check Transaction Statistics for FY 2003

State/Center/Office	# of Convenience Check Writers (1)	Total # of Check Transactions	12 or Fewer Transactions in FY 2003			
			# of Check Writers	% of Check Writers	# of Transactions	% of Check Trans.
Alaska	92	530	84	91.3%	257	48.5%
Arizona	35	1,226	9	25.7%	45	3.7%
California	48	2,015	12	25%	93	4.6%
Colorado	40	1,530	13	32.5%	79	5.2%
Eastern States	25	582	10	40%	42	7.2%
Fire Center	12	246	6	50%	11	4.5%
Idaho	82	1,856	37	45.1%	175	9.4%
Montana	46	1,411	20	43.5%	113	8%
National Centers	4	245	3	75%	13	5.3%
Nevada	20	1,286	5	25%	6	.5%
New Mexico	46	1,759	16	34.8%	33	1.9%
Oregon	106	4,532	42	39.6%	214	4.7%
Training Center	7	451	2	28.6%	5	1.1%
Utah	63	2,040	26	41.3%	120	5.9%
Washington Office	4	180	1	25%	0	0%
Wyoming	18	969	4	22.2%	31	4.5%
TOTAL	648	20,585	290	44.8%	1,237	6%

(1) The total number of convenience check writers as of October 21, 2003.